

## REPORT

HOUSE OF REPRESENTATIVES  
STATE OF LOUISIANA  
JUNE 30, 2007

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

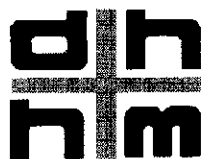
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HOUSE OF REPRESENTATIVES  
STATE OF LOUISIANA

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## INDEPENDENT AUDITOR'S REPORT

December 3, 2007

Honorable Joe R. Salter  
Speaker of the House of Representatives  
State of Louisiana  
Baton Rouge, Louisiana

We have audited the accompanying financial statements of the House of Representatives, State of Louisiana, as of and for the year ended June 30, 2007, as listed in the index. These financial statements are the responsibility of the House of Representatives' management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements of the House of Representatives, State of Louisiana, are intended to present the financial position and results of operations of only that portion of the reporting entity of the State of Louisiana.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the House of Representatives, State of Louisiana, as of June 30, 2007 and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 3, 2007 on our consideration of the House of Representatives, State of Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws and regulations. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis and the other required supplementary information on pages 3 through 4 and 15, respectively, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The schedule on pages 16-18 is presented for the purpose of additional analysis and is not a required part of the financial statements of the House of Representatives, State of Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

*Duplantier, Hrapmann, Hogan & Maher, LLP*

HOUSE OF REPRESENTATIVES  
STATE OF LOUISIANA  
MANAGEMENTS' DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2007

This section of the House of Representatives, State of Louisiana (House) annual financial report presents Management's analysis of the House's financial performance for the year ended June 30, 2007. This analysis should be read in conjunction with the audited financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The House's net assets increased by \$2,004,262. This resulted primarily from an increase in the amount appropriated from the State of Louisiana. In addition to the increase in the State appropriation, total expenditures and other financing sources increased by \$790,209 and \$549,974, respectively. This resulted primarily from an increase in office expense and maintenance, capital outlay, and interagency transfers..

The general revenues of the House were \$27,135,818.

The other financing sources of the House were \$879,534.

The total expenditures/expenses of the House were \$26,011,090.

OVERVIEW OF THE FINANCIAL STATEMENTS

This report consists of three sections: Management's Discussion and Analysis, audited financial statements and supplementary information. The financial statements also include notes that provide additional detail of the information included in the financial statements.

BASIC FINANCIAL STATEMENTS

The financial statements of the House report information about the House using accounting methods similar to those used by private companies. These financial statements provide financial information about the activities of the House.

The Statement of Net Assets (p. 5) presents the current and long-term portions of assets and liabilities separately.

The Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balance (p. 6) presents information on how the House's net assets changed as a result of current period operations.

HOUSE OF REPRESENTATIVES  
STATE OF LOUISIANA  
MANAGEMENTS' DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2007

BASIC FINANCIAL STATEMENTS (Continued)

The following presents condensed financial information of the House:

SUMMARY OF FINANCIAL POSITION

ASSETS:

	<u>June 30, 2007</u>	<u>June 30, 2006</u>
Current assets	\$ 18,695,684	\$ 16,306,853
Capital assets	197,890	51,768
Total assets	<u>\$ 18,893,574</u>	<u>\$ 16,358,621</u>

LIABILITIES

	<u>June 30, 2007</u>	<u>June 30, 2006</u>
Current liabilities	\$ 1,266,369	\$ 816,695
Long-term liabilities	1,442,419	1,361,402
Total liabilities	<u>2,708,788</u>	<u>2,178,097</u>
Invested in capital assets	197,890	51,768
Unrestricted	<u>15,986,896</u>	<u>14,128,756</u>
Total net assets	<u>\$ 16,184,786</u>	<u>\$ 14,180,524</u>

SUMMARY OF REVENUES, EXPENDITURES/EXPENSES  
AND CHANGES IN NET ASSETS

	<u>For the Year Ended June 30, 2007</u>	<u>For the Year Ended June 30, 2006</u>
General revenues	\$27,135,818	\$ 26,125,809
Expenditures/expenses	26,011,090	25,220,881
Other financing sources (uses)	879,534	329,560
Change in net assets	<u>\$ 2,004,262</u>	<u>\$ 1,234,488</u>

BUDGET ANALYSIS

A comparison of budget to actual operations is a required supplementary statement and is presented in the accompanying supplementary information. Total expenditures were \$49,345 below budgeted amounts. This resulted primarily from an overall effort to control spending.

CONTACTING THE HOUSE'S MANAGEMENT

This audit report is designed to provide a general overview of the House and to demonstrate the House's accountability for its finances. If you have any questions about this report or need additional information, please contact the House of Representatives, State of Louisiana, P.O. Box 94062, Baton Rouge, Louisiana, 70804.

HOUSE OF REPRESENTATIVES  
STATE OF LOUISIANA  
STATEMENT OF NET ASSETS  
JUNE 30, 2007

	<u>General Fund</u>	<u>Adjustments*</u>	<u>Statement of Net Assets</u>
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 18,374,089	\$ -	\$ 18,374,089
Due from other legislative agencies	261,265	-	261,265
Promotional inventory	60,330	-	60,330
Capital assets (net of allowance for depreciation)	-	197,890 (1)	197,890
<b>TOTAL ASSETS</b>	<u>\$ 18,695,684</u>	<u>\$ 197,890</u>	<u>\$ 18,893,574</u>
<b>LIABILITIES:</b>			
Accounts payable	\$ 329,213	\$ -	\$ 329,213
Employee benefits paid	607,807	-	607,807
Salaries payable	329,349	-	329,349
Compensated absences	-	1,442,419 (2)	1,442,419
<b>Total liabilities</b>	<u>1,266,369</u>	<u>1,442,419</u>	<u>2,708,788</u>
<b>FUND BALANCE/NET ASSETS:</b>			
Reserved for encumbrances	3,110,592	(3,110,592)	-
Unreserved, undesignated	14,318,723	(14,318,723)	-
<b>Total fund balance</b>	<u>17,429,315</u>		
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 18,695,684</u>		
<b>NET ASSETS:</b>			
Invested in capital assets		197,890	197,890
Unrestricted		15,986,896	15,986,896
<b>TOTAL NET ASSETS</b>		<u>\$ 16,184,786</u>	<u>\$ 16,184,786</u>

**\*Explanation**

- (1) Capital assets, net of the depreciation allowance are recorded on the Statement of Net Assets, but not within the fund statements of the General Fund.
- (2) Long-term liabilities, such as compensated absences, are recorded on the Statement of Net Assets, but not within the fund statements of the General Fund.

See accompanying notes.

HOUSE OF REPRESENTATIVES  
STATE OF LOUISIANA  
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2007

	General Fund	Adjustments*	Statement of Activities
EXPENDITURES/EXPENSES:			
Personnel services	\$ 22,314,428	\$ 81,017 (1)	\$ 22,395,445
Travel	506,664	-	506,664
Supplies	214,280	-	214,280
Telephone, utilities and building	379,932	-	379,932
Dues and subscriptions	8,028	-	8,028
Printing	46,717	-	46,717
Office expense and maintenance	2,054,962	-	2,054,962
Other fees and services	25,918	-	25,918
Capital outlay	525,266	(172,500) (2)	352,766
Depreciation	-	26,378 (2)	26,378
Total expenditures/expenses	<u>26,076,195</u>	<u>(65,105)</u>	<u>26,011,090</u>
GENERAL REVENUES:			
State appropriations	26,060,435	-	26,060,435
Interest	865,076	-	865,076
Other	210,307	-	210,307
Total general revenues	<u>27,135,818</u>	<u>-</u>	<u>27,135,818</u>
OTHER FINANCING SOURCES:			
Transfers in	879,534	-	879,534
Total other financing sources	<u>879,534</u>	<u>-</u>	<u>879,534</u>
Excess of general revenues and transfers in over expenditures/expenses	1,939,157	(1,939,157)	-
Change in net assets	-	2,004,262	2,004,262
FUND BALANCE/NET ASSETS:			
Beginning of Year	15,490,158	(1,309,634)	14,180,524
End of Year	<u>\$ 17,429,315</u>	<u>\$ (1,244,529)</u>	<u>\$ 16,184,786</u>

## \*Explanation

- (1) Changes in long-term obligation for compensated absences
- (2) Reclassify capital asset purchases and record depreciation

See accompanying notes.



HOUSE OF REPRESENTATIVES  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007

Nature of Operations:

The House of Representatives is a part of the legislative branch of government created under Article III of the 1974 Louisiana Constitution.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Government accounting principles and practices are promulgated and established by the Governmental Accounting Standards Board (GASB). The GASB has issued a *Codification of Governmental Accounting and Financial Reporting Standards*. This codification and subsequent GASB pronouncements are recognized as accounting principles generally accepted in the United States of America for state and local governments. The accompanying financial statements have been prepared in accordance with such pronouncements.

The following is a summary of the more significant accounting policies.

Financial Reporting Entity – Application of Section 2100 of the GASB Codification defines the governmental reporting entity (in relation to the House of Representatives, State of Louisiana) to be the State of Louisiana. The accompanying financial statements of the House of Representatives contain sub-account information of the General Fund and account groups of the State of Louisiana. Annually, the State of Louisiana issues financial statements, which include the activity contained in the accompanying component unit financial statements.

Fund Accounting – The House of Representatives uses fund accounting (separate set of self-balancing accounts) to reflect the sources and uses of available resources and the budgetary restrictions placed on those funds by the Louisiana Legislature. The House of Representatives has only a general fund, which is used to account for all of the House of Representatives' general activities, including the acquisition of general fixed assets and the servicing of general long-term debt. It is used to account for all activities of the House of Representatives.

Basis of Accounting:

Basis of accounting refers to when revenues and expenditures are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

In accordance with *Statement of Governmental Accounting Standard 34*, the House of Representatives presents a Statement of Net Assets and Statement of Activities. These statements reflect entity-wide operations of the House of Representatives. The House of Representatives has only a General Fund, supported by an appropriation from the State of Louisiana and self-generated funds.

HOUSE OF REPRESENTATIVES  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Within the accompanying statements, the General Fund column of the Statement of Net Assets and the Statement of Activities reports all activities of the House of Representatives using the current financial resource measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. Management considers revenues to be available if they are collected within 45 days of the end of the current fiscal period. Using this methodology, the legislative appropriation is recorded during the year, and for the year, the appropriation is made, and interest and other revenues are recorded when earned. Expenditures are recorded when a liability is incurred, as in accrual accounting. However, compensated absences are recorded when paid.

The General Fund column is adjusted to create a Statement of Net Assets and Statement of Activities. Within this column, amounts are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Budgets and Budgetary Accounting

The House of Representatives, State of Louisiana, is required to submit to the Legislative Budgetary Control Council an estimate of the financial requirements for the ensuing fiscal year. The General Fund appropriation is enacted into law by the Legislature and sent to the Governor for signature. The House is authorized to transfer budget amounts between accounts in the General Fund. Revisions, which alter total appropriations, must be approved by the Legislature. The level of budgetary responsibility is by total appropriation. All annual appropriations lapse at fiscal year end, and require that any amounts not expended or encumbered at the close of the fiscal year be returned to the State General Fund unless otherwise reappropriated by subsequent legislative action. Current appropriation legislation authorizes such reappropriation of prior year funds.

The budget for the General Fund is prepared on the budgetary (legal) basis of accounting. In compliance with budgetary authorization, the House of Representatives includes the prior year's fund balance represented by appropriated net assets remaining in the fund as a budgeted revenue in the succeeding year. The results of operations on a GAAP basis do not recognize the fund balance allocation as revenue because it represents prior period's excess of revenues over expenditures.

HOUSE OF REPRESENTATIVES  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Promotional Inventory

The House maintains an inventory of promotional items, which are available for sale to the general public in the interest of promoting the State of Louisiana and the Legislature. Inventory items are recorded at the lower of cost or market on a first-in, first-out basis.

Encumbrances

Encumbrances are recorded when purchase orders, contracts, commitments and other intentions to commit funds for expenditure of monies are recorded but are not considered expenditures unless liabilities for payments are incurred. Encumbrances are reported as a reservation of fund balance on the balance sheet. Encumbrances do not lapse at the close of the fiscal year but are carried forward as reserved fund balance until liquidated. Encumbrances are an allowable charge against the current year appropriation.

Leave Benefits

The long-term obligation of accumulated unpaid annual, sick and compensatory leave is reported in the Statement of Net Assets and Statement of Activities. The House's employees accrue unlimited amounts of annual and sick leave at varying rates as established by the House's personnel manual. Upon resignation or retirement, unused annual leave of up to 300 hours is paid to employees at the employee's current rate of pay. Upon retirement, annual leave in excess of 300 hours and unused sick leave are credited as earned service in computing retirement benefits.

Furthermore, employees earn compensatory leave for hours worked in excess of 40 hours per work week. The compensatory leave may be used similarly to annual or sick leave. At June 30, 2007, compensatory leave of up to 360 hours, for which employees could be paid upon resignation or retirement, and annual leave, computed in accordance with the *Codification of Governmental Accounting and Financial Reporting Standards* Section C60.105, totaled \$1,442,419.

The following are the changes in general compensated absences (long-term obligations) during the year.

<u>Balance</u> <u>July 1, 2006</u>	<u>Net</u> <u>Change</u>	<u>Balance</u> <u>June 30, 2007</u>
\$ 1,361,402	\$81,017	\$ 1,442,419

HOUSE OF REPRESENTATIVES  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Leave Benefits (Continued)

The additions and reductions to compensated absences during the 2006-2007 fiscal year represent the net change during the year because the additions and deductions could not be readily determined.

Postretirement Benefits

The House of Representatives, State of Louisiana, provides certain health care and life insurance benefits for retired employees. Substantially all of the House of Representatives' employees may become eligible for those benefits if they reach normal retirement age while working for the House. These benefits for retirees and similar benefits for active employees are provided through the State Employees Group Benefits Program whose monthly premiums are paid jointly by the employee and the House of Representatives. The House recognizes the cost of providing these benefits as expenditure in the year paid. For the year ended June 30, 2007, those costs totaled \$353,485, which covered 67 retired employees, funded through the legislative appropriation. Retirees pay a portion of the cost of their benefits.

Capital Assets

The accompanying statements reflect furniture, fixtures, and equipment used by the House and funded by the legislative appropriation, in daily operations. Those assets are recorded at cost. Depreciation is charged to expense over the estimated useful lives of the assets and is determined using the straight-line method. Expenditures for maintenance and repairs, which do not materially extend the useful life of the asset, are charged to expense as incurred.

The accompanying statements do not include the value of land and buildings provided without cost to the House by the State of Louisiana. Those assets are recorded with the annual financial statements of the State of Louisiana.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

HOUSE OF REPRESENTATIVES  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007

2. DEPOSITS IN BANKS:

Cash and cash equivalents consist of demand deposits and certificates of deposits with maturities of three months or less.

Under State law, the House of Representatives may deposit funds in an approved bank located in this State selected by the presiding officer of the House of Representatives. These public deposits must be secured by federal deposit insurance or pledged securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These pledged securities are held in the name of the pledging fiscal agent in a holding or custodial bank. The bank deposits at June 30, 2007 are as follows:

	<u>Carrying Balance</u>	<u>Bank Balance</u>	<u>FDIC Insurance</u>	<u>Pledged Collateral</u>
Cash in bank	\$ 9,110,967	\$ 9,776,968	\$ 100,000	\$ 13,505,118
Certificates of Deposit	<u>9,263,122</u>	<u>9,263,122</u>	<u>--</u>	<u>9,263,122</u>
TOTAL	<u>\$ 18,374,089</u>	<u>\$ 19,040,090</u>	<u>\$ 100,000</u>	<u>\$ 22,768,240</u>

3. CAPITAL ASSETS:

The accompanying statements reflect capital assets used by the Louisiana House of Representatives, and funded by the legislative appropriation, in daily operations. Those assets are recorded at cost. Capital assets with acquisition costs of \$5,000 or greater are capitalized and depreciated as follows:

	<u>Cost</u>	<u>Allowance for Depreciation</u>	<u>Net Value</u>
Balance, July 1, 2006	\$ 935,292	\$ (883,524)	\$ 51,768
Acquisitions	172,500	--	172,500
Deletions	(64,283)	64,283	--
Depreciation	<u>--</u>	<u>(26,378)</u>	<u>(26,378)</u>
Balance, June 30, 2007	<u>\$ 1,043,509</u>	<u>\$ (845,619)</u>	<u>\$ 197,890</u>

The depreciable assets are depreciated using the straight-line method of allocating costs over the following useful lives:

Computer equipment	5 years
Office furniture	10 years
Vehicles	5 years
Other Machinery and Equipment	6 years

HOUSE OF REPRESENTATIVES  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007

3. CAPITAL ASSETS: (Continued)

The cost of normal maintenance and repairs that do not add value to the asset or materially extend asset lives are not capitalized.

4. RETIREMENT SYSTEM:

Plan Description

Substantially all employees and members of the House of Representatives participate in the Louisiana State Employees' Retirement System (LASERS) or the Teachers' Retirement System of Louisiana (TRS), both of which are cost sharing, multiple-employer defined benefit pension plans administered by a separate Board of Trustees. The plans provide retirement, disability and survivor benefits to participating, eligible employees. Benefits are established and amended by state statute. Benefits are guaranteed by the State of Louisiana under provisions of the Louisiana Constitution of 1974. LASERS and TRS issue publicly available financial reports that include financial statements and required supplementary information. The reports may be obtained by writing to Louisiana State Employees' Retirement System, Post Office Box 44213, Baton Rouge, Louisiana, 70804-4213, or by calling (225) 922-0600, or by writing to Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana 70804-9123, or by calling (225) 925-6446.

Funding Policy

Plan members of the House of Representatives are required by state statute to contribute 7½%, 8%, 9½% or 11½% of their annual covered salary to LASERS and TRS, respectively, and the House of Representatives (as their employer) is required to contribute at an actuarially determined rate. The current employer rate is 19.1% and 15.8% of annual covered payroll for LASERS and TRS, respectively. The contribution requirements of plan members and the employer are established by, and amended by, state law. As required by state law, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The employer contribution is funded by the State of Louisiana through the annual legislative appropriation. The House of Representatives' employer contributions to LASERS and TRS for the years ending June 30, 2007, 2006, and 2005, which were equal to the required contributions for each year, were as follows:

<u>Period Ending</u>	<u>LASERS</u>	<u>TRS</u>	<u>Total</u>
June 30, 2007	\$ 2,130,856	\$ 16,509	\$ 2,147,365
June 30, 2006	2,086,417	14,801	2,101,218
June 30, 2005	1,767,343	9,767	1,777,110

HOUSE OF REPRESENTATIVES  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007

5. LEASE AGREEMENTS:

The House of Representatives has operating leases for computer and office equipment on a month-to-month, as needed, basis.

The lease agreements have nonappropriation exculpatory clauses that allow for lease cancellation if the Louisiana Legislature does not make an appropriation for their continuation during any future fiscal period. Rental and lease expenditures totaled \$261,914 for the year ended June 30, 2007.

6. TRANSFERS:

Amounts received from other governmental units for the year ended June 30, 2007 consist of the following:

	<u>Office Operations</u>	<u>Capital Outlay</u>	<u>Personal Services</u>	<u>Total</u>
Legislative Budgetary				
Control Council	\$ 343,262	\$ 452,867	\$ --	\$ 796,129
Other agencies	<u>--</u>	<u>--</u>	<u>83,405</u>	<u>83,405</u>
Total	<u>\$ 343,262</u>	<u>\$ 452,867</u>	<u>\$ 83,405</u>	<u>\$ 879,534</u>

The amount due from other legislative agencies totaled \$261,265 at year-end.

7. OTHER COSTS:

The State of Louisiana, through other appropriations, provides office space, utilities and janitorial services for the office facilities, all of which are not included in the accompanying financial statements.

8. LITIGATION, CLAIMS AND SIMILAR CONTINGENCIES:

Losses arising from litigation, claims and similar contingencies are considered state liabilities and are paid by special appropriations made by the Louisiana Legislature. Any applicable litigation, claims and similar contingencies are not recognized in the accompanying financial statements.

HOUSE OF REPRESENTATIVES  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007

9. RECONCILIATION:

The Statement of Net Assets and Statement of Activities present the House of Representatives' fund balance/net assets from a fund perspective and an entity-wide perspective, using the current financial resources focus for the fund balance and the economic resources measurement focus for net assets. The amounts are reconciled as follows:

Fund balance, June 30, 2007	\$17,429,315
Capital assets	197,890
Compensated absences	<u>(1,442,419)</u>
Net assets, June 30, 2007	<u>\$ 16,184,786</u>

10. FUND EQUITY:

Designations of fund balance represent tentative management plans that are subject to change. Encumbrances outstanding at year-end represent the estimated amount the House intends to use for capital asset acquisitions.

11. RISK MANAGEMENT:

The House of Representatives limits its exposure to risk of loss through the Office of Risk Management, a statewide insurance program. Through the payment of premiums to the program, the House of Representatives transfers the risk of loss from theft, torts, damage to and destruction of assets, workers' compensation, errors and omissions, and natural disasters.

12. APPROPRIATION RECEIVABLE:

The amount due from the State treasury and appropriation revenues collected are summarized as follows:

	Total Appropriations <u>Authorized</u>	Funds As Of <u>June 30, 2007</u>	Amount Due From State Treasury As Of <u>June 30, 2007</u>
Act 67 of 2006 Regular Session	\$ <u>26,060,435</u>	\$ <u>26,060,435</u>	\$ <u>          -</u>



## SUPPLEMENTARY INFORMATION

HOUSE OF REPRESENTATIVES  
STATE OF LOUISIANA  
SUPPLEMENTARY INFORMATION  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET (LEGAL BASIS) AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts Budgetary Basis	Budget to GAAP Differences Over (Under)	Actual Amounts GAAP Basis
	Original	Final			
REVENUES:					
State appropriations	\$ 26,060,435	\$ 26,060,435	\$ 26,060,435	\$ -	\$ 26,060,435
Interest	-	-	865,076	-	865,076
Other	-	-	210,307	-	210,307
Reappropriated fund balance (1)	15,746,068	15,746,068	15,746,068	(15,746,068) (1)	-
Total revenues	<u>41,806,503</u>	<u>41,806,503</u>	<u>42,881,886</u>	<u>(15,746,068)</u>	<u>27,135,818</u>
EXPENDITURES AND ENCUMBRANCES:					
Personnel services	20,157,235	20,157,235	22,314,428	81,017 (2)	22,395,445
Travel	337,000	337,000	506,664	-	506,664
Supplies	323,000	323,000	214,280	-	214,280
Telephone, utilities and building	295,000	295,000	379,932	-	379,932
Dues and subscriptions	68,000	68,000	8,028	-	8,028
Printing	180,000	180,000	46,717	-	46,717
Office expense and maintenance	2,549,200	2,549,200	2,054,962	-	2,054,962
Other fees and services	52,000	52,000	25,918	-	25,918
Capital outlay	2,099,000	2,099,000	525,266	(172,500)	352,766
Depreciation	-	-	-	26,378 (3)	26,378
Total expenditures/expenses	<u>26,060,435</u>	<u>26,060,435</u>	<u>26,076,195</u>	<u>(65,105)</u>	<u>26,011,090</u>
Excess (deficiency) of revenues over expenditures	15,746,068	15,746,068	16,805,691	(15,680,963)	1,124,728
OTHER FINANCING SOURCES (USES):					
Interagency transfers in	-	-	879,534	-	879,534
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>879,534</u>	<u>-</u>	<u>879,534</u>
Net change in fund balance	15,746,068	15,746,068	17,685,225	(15,680,963)	2,004,262
Fund balances - beginning	8,281,656	8,281,656	13,339,491	841,033 (4)	14,180,524
Less reappropriated fund balance	(15,746,068)	(15,746,068)	(15,746,068)	15,746,068 (1)	-
Fund balances - ending	<u>\$ 8,281,656</u>	<u>\$ 8,281,656</u>	<u>\$ 15,278,648</u>	<u>\$ 906,138</u>	<u>\$ 16,184,786</u>

Explanation of differences:

- (1) Budgets include reappropriated fund balances carried over from prior years to cover expenditures of the current year. This amount is not revenue of the current period but is presented as revenue only for budgetary purposes. Beginning budgetary fund balances have been reduced by the carryover to reflect the budgetary ending fund balance projected.
- (2) Compensated absences and salaries are budgeted on a modified accrual basis. Under generally accepted accounting principles these costs are recognized when the benefit is earned.
- (3) Capital assets are recognized for budget purposes when purchased. Under generally accepted accounting principles, such capital assets are recognized as long-lived assets and depreciation is recognized over the life of the assets, as well as any loss on disposal.
- (4) The amount reported as "fund balance" on the budgetary basis of accounting derives from the basis of accounting used in preparing the House's budget. This amount differs from the fund balance reported in the statement of revenues, expenditures and changes in the fund balance because of the cumulative effect of transactions such as those described above.

HOUSE OF REPRESENTATIVES  
STATE OF LOUISIANA  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF LEGISLATORS' PER DIEM AND OTHER COMPENSATION  
FOR THE YEAR ENDED JUNE 30, 2007

Representative	Total	Regular Session		Special Session		Interim Session		Salary and Expense Allowance
		Days	Amount	Days	Amount	Days	Amount	
Alario, John A.	\$ 62,384	60	\$ 7,440	8	\$ 1,104	23	\$ 3,040	\$ 50,800
Alexander, Ernest J.	32,149	60	7,440	8	1,104	6	805	22,800
Anders, John F.	23,697	60	7,440	8	1,104	7	966	14,187
Ansardi, Glenn	35,943	60	7,440	8	1,104	36	4,599	22,800
Arnold, Jeffrey	33,814	60	7,440	8	1,104	19	2,470	22,800
Badon, Austin, Jr.	33,202	60	7,440	8	1,104	15	1,858	22,800
Baldone, Damon J.	33,699	60	7,440	8	1,104	19	2,355	22,800
Barrow, Regina A.	37,793	60	7,440	8	1,104	49	6,449	22,800
Baudoin, Clara G.	34,426	60	7,440	8	1,104	24	3,082	22,800
Baylor, Ernest, Jr.	33,427	60	7,440	8	1,104	16	2,083	22,800
Beard, Gary	31,744	60	7,440	8	1,104	3	400	22,800
Bowler, Shirley D.	36,914	60	7,440	8	1,104	43	5,570	22,800
Bruce, Beverly G.	33,248	60	7,440	8	1,104	16	1,904	22,800
Bruneau, Charles E.	21,425	-	-	8	1,104	17	2,208	18,113
Burns, Timothy "Tim" G.	32,986	60	7,440	8	1,104	13	1,642	22,800
Burrell, Roy Allen	34,849	60	7,440	8	1,104	26	3,505	22,800
Carter, Karen R.	32,903	60	7,440	8	1,104	13	1,559	22,800
Carter, Robert J.	33,625	60	7,440	8	1,104	18	2,281	22,800
Cazayoux, Donald J., Jr.	34,604	60	7,440	8	1,104	25	3,260	22,800
Chandler, Billy R.	32,273	60	7,440	8	1,104	7	929	22,800
Crane, Carl N.	33,170	60	7,440	8	1,104	14	1,826	22,800
Cravins, Donald Ray, Jr.	9,004	-	-	-	-	3	391	8,613
Crowe, A.G.	32,986	60	7,440	8	1,104	13	1,642	22,800
Curtis, Israel B.	33,064	60	7,440	8	1,104	13	1,720	22,800
Damico, Nuncio J.	35,870	60	7,440	8	1,104	35	4,526	22,800
Daniel, William B., IV	31,882	60	7,440	8	1,104	4	538	22,800
Dartez, Carla Blanchard	33,749	60	7,440	8	1,104	18	2,405	22,800
Dewitt, Charles W.	36,914	60	7,440	8	1,104	44	5,570	22,800
Doerge, Jean M.	34,439	60	7,440	8	1,104	24	3,095	22,800
Dorsey, Yvonne	42,751	60	7,440	8	1,104	29	3,707	30,500
Dove, Gordon E. "Gordie", Sr.	32,397	60	7,440	8	1,104	8	1,053	22,800
Downs, Hollis H.	32,517	60	7,440	8	1,104	9	1,173	22,800
Durand, Sydnie M.	39,398	60	7,440	8	1,104	62	8,054	22,800
Erdey, Dale M.	33,294	60	7,440	8	1,104	16	1,950	22,800
Fannin, James R. "Jim"	33,708	60	7,440	8	1,104	18	2,364	22,800
Farrar, Rick L.	33,487	60	7,440	8	1,104	16	2,143	22,800
Faucheux, Robert R., Jr.	33,211	60	7,440	8	1,104	15	1,867	22,800
Frith, Lloyd, Jr.	33,460	60	7,440	8	1,104	17	2,116	22,800

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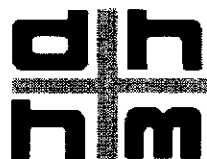
HOUSE OF REPRESENTATIVES  
STATE OF LOUISIANA  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF LEGISLATORS' PER DIEM AND OTHER COMPENSATION  
FOR THE YEAR ENDED JUNE 30, 2007

Representative	Total	Regular Session		Special Session		Interim Session		Salary and Expense Allowance
		Days	Amount	Days	Amount	Days	Amount	
Gallot, Richard J., Jr.	\$ 33,183	60	\$ 7,440	8	\$ 1,104	14	\$ 1,839	\$ 22,800
Geymann, Brett Frank	31,758	60	7,440	8	1,104	3	414	22,800
Glover, Cedric B.	9,678	-	-	-	-	3	368	9,310
Gray, Cheryl A.	38,427	60	7,440	8	1,104	55	7,083	22,800
Greene, Hunter	33,487	60	7,440	8	1,104	17	2,143	22,800
Guillory, Elbert L.	12,570	60	7,440	-	-	0	0	5,130
Guillory, Elcie J.	36,605	60	7,440	8	1,104	41	5,261	22,800
Guillory, Mickey J.	32,296	60	7,440	8	1,104	7	952	22,800
Hammett, Bryant O., Jr.	633	-	-	-	-	-	-	633
Harris, Terrell L.	31,735	60	7,440	8	1,104	3	391	22,800
Heaton, Alex M.	32,535	60	7,440	8	1,104	9	1,191	22,800
Hebert, Troy M.	31,583	60	7,440	8	1,104	2	239	22,800
Hill, Herman R.	32,903	60	7,440	8	1,104	12	1,559	22,800
Honey, Avon	36,035	60	7,440	8	1,104	37	4,691	22,800
Hopkins, Roy	10,115	-	-	-	-	9	1,058	9,057
Hunter, Willie, Jr.	32,871	60	7,440	8	1,104	12	1,527	22,800
Hutter, Nita R.	36,376	60	7,440	8	1,104	38	5,032	22,800
Jackson, Michael L.	34,034	60	7,440	8	1,104	21	2,690	22,800
Jefferson-Bullock, Jalila	34,885	60	7,440	8	1,104	27	3,541	22,800
Johns, Ronald	33,147	60	7,440	8	1,104	14	1,803	22,800
Katz, Kay Kellogg	32,756	60	7,440	8	1,104	11	1,412	22,800
Kennard, Donald R.	31,758	60	7,440	8	1,104	3	414	22,800
Kenney, Lelon L.	33,064	60	7,440	8	1,104	13	1,720	22,800
Kleckley, Charles E. "Chuck"	32,816	60	7,440	8	1,104	11	1,472	22,800
LaFleur, Kenneth Eric	32,379	60	7,440	8	1,104	8	1,035	22,800
Labruzzo, John	32,236	60	7,440	8	1,104	7	892	22,800
Lafonta, Juan A.	33,115	60	7,440	8	1,104	13	1,771	22,800
Lambert, Eddie J.	32,572	60	7,440	8	1,104	9	1,228	22,800
Lancaster, Charles D.	33,855	60	7,440	8	1,104	20	2,511	22,800
Lorusso, Nicholas J.	12,127	60	7,440	-	-	-	-	4,687
Marchand, Charmaine L.	35,139	60	7,440	8	1,104	30	3,795	22,800
Martiny, Daniel R.	32,701	60	7,440	8	1,104	11	1,357	22,800
McDonald, Charles R.	32,723	60	7,440	8	1,104	11	1,379	22,800
McVea, Thomas H.	33,514	60	7,440	8	1,104	17	2,170	22,800
Montgomery, Billy W.	34,821	60	7,440	8	1,104	27	3,477	22,800
Morrell, Jean-Paul	23,821	60	7,440	8	1,104	8	1,090	14,187
Morris, Jim	14,934	60	7,440	-	-	2	262	7,232
Morrish, Dan W.	34,273	60	7,440	8	1,104	23	2,929	22,800
Odinot, Kenneth L., Sr.	33,676	60	7,440	8	1,104	18	2,332	22,800
Pierre, Wilfred	34,172	60	7,440	8	1,104	22	2,828	22,800
Pinac, Gil	35,221	60	7,440	8	1,104	29	3,877	22,800

(Continued)

HOUSE OF REPRESENTATIVES  
STATE OF LOUISIANA  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF LEGISLATORS' PER DIEM AND OTHER COMPENSATION  
FOR THE YEAR ENDED JUNE 30, 2007

Representative	Total	Regular Session		Special Session		Interim Session		Salary and Expense Allowance
		Days	Amount	Days	Amount	Days	Amount	
Pitre, Loutan, Jr.	\$ 32,112	60	\$ 7,440	8	\$ 1,104	6	768	\$ 22,800
Powell, Michael E., III	32,673	60	7,440	8	1,104	10	1,329	22,800
Powell, Henry, Sr.	34,361	60	7,440	8	1,104	24	3,017	22,800
Quezaire, Roy, Jr.	37,668	60	7,440	8	1,104	51	6,324	22,800
Richmond, Cedric L.	35,930	60	7,440	8	1,104	37	4,586	22,800
Ritchie, Harold L.	33,869	60	7,440	8	1,104	20	2,525	22,800
Robideaux, Joel C.	31,896	60	7,440	8	1,104	4	552	22,800
Romero, Errol A.	32,236	60	7,440	8	1,104	7	892	22,800
Salter, Joe	67,792	60	7,440	8	1,104	167	21,248	38,000
Scalise, Steve	34,388	60	7,440	8	1,104	24	3,044	22,800
Schneider, Matthew, III	33,469	60	7,440	8	1,104	16	2,125	22,800
Smiley, M.J. "Mert", Jr.	33,671	60	7,440	8	1,104	18	2,327	22,800
Smith, Jack Donald	34,292	60	7,440	8	1,104	23	2,948	22,800
Smith, Jane H.	31,997	60	7,440	8	1,104	5	653	22,800
Smith, John R.	36,817	60	7,440	8	1,104	44	5,473	22,800
Smith, Gary L., Jr.	33,676	60	7,440	8	1,104	18	2,332	22,800
St. Germain, Karen G.	35,419	60	7,440	8	1,104	31	4,075	22,800
Strain, Michael G.	33,759	60	7,440	8	1,104	18	2,415	22,800
Thompson, Francis C.	37,452	60	7,440	8	1,104	48	6,108	22,800
Toomy, Joseph F.	32,245	60	7,440	8	1,104	7	901	22,800
Townsend, Thomas Taylor	35,580	60	7,440	8	1,104	32	4,236	22,800
Trahan, Donald "Don" M.	34,159	60	7,440	8	1,104	21	2,815	22,800
Triche, Warren J., Jr.	32,493	60	7,440	8	1,104	9	1,149	22,800
Tucker, James W.	32,963	60	7,440	8	1,104	12	1,619	22,800
Waddell, Wayne	31,735	60	7,440	7	966	4	529	22,800
Walker, Monica H.	33,368	60	7,440	8	1,104	15	2,024	22,800
Walsworth, Michael A.	32,701	60	7,440	8	1,104	11	1,357	22,800
White, Mack A. "Bodi", Jr.	33,340	60	7,440	8	1,104	16	1,996	22,800
Williams, Patrick C.	12,507	60	7,440	-	-	-	-	5,067
Winston, Diane	36,100	60	7,440	8	1,104	35	4,756	22,800
Wooton, Ernest D.	32,287	60	7,440	8	1,104	7	943	22,800
	<u>\$ 3,569,890</u>		<u>\$ 781,200</u>		<u>\$ 112,470</u>		<u>\$ 271,904</u>	<u>\$ 2,404,316</u>



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(1919-1985)  
FELIX J. HRAPMANN, JR., C.P.A.  
(1919-1990)  
WILLIAM R. HOGAN, JR., C.P.A.  
(1920-1996)  
JAMES MAHER, JR., C.P.A.  
(1921-1999)

MEMBERS  
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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS*

December 3, 2007

Honorable Joe R. Salter  
Speaker of the House of Representatives  
State of Louisiana  
Baton Rouge, Louisiana

We have audited the accompanying financial statements of the House of Representatives, State of Louisiana, as of and for the year ended June 30, 2007, and have issued our report thereon dated December 3, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the House of Representatives, State of Louisiana's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the House of Representatives, State of Louisiana's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the House of Representatives, State of Louisiana's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the House of Representatives, State of Louisiana's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the House of Representatives, State of Louisiana's financial statements that is more than inconsequential will not be prevented or detected by the House of Representatives, State of Louisiana's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the House of Representatives, State of Louisiana's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the House of Representatives, State of Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the House of Representatives' management, the Legislative Budgetary Control Council and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Duplantier, Krapmann, Hogan & Maher, LLP*

HOUSE OF REPRESENTATIVES  
STATE OF LOUISIANA  
SUMMARY SCHEDULE OF FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2007

SUMMARY OF AUDITOR'S RESULTS:

1. The opinion issued on the financial statements of the House of Representatives, State of Louisiana for the year ended June 30, 2007 was unqualified.
2. Internal Control
  - Material weaknesses: None Noted
  - Significant deficiencies: None Noted
3. Compliance and Other Matters
  - Noncompliance material to financial statements: None noted.

FINDINGS REQUIRED TO BE REPORTED UNDER GENERALLY ACCEPTED  
GOVERNMENTAL AUDITING STANDARDS:

None

SUMMARY OF PRIOR YEAR FINDINGS:

None